

**TITLE:**                    **COMPASSIONATE CARE PROGRAM**  
**(WVMC Financial Assistance Program)**

Approved By:            David L. Weber, MD    Chairman of the Board

Implementation Date: June 1997

Review/Revision Date: 5/1999, 5/8/01, 7/2004, 8/8/05, 12/15/2006, 6/1/2009

**POLICY:** Wenatchee Valley Medical Center (WVMC) is committed to the provision of health care services to all persons in need of medically necessary care regardless of ability to pay. In order to protect the integrity of operations and fulfill this commitment, the following criteria for the provision of financial assistance and charity care (hereafter referred to as compassionate care), consistent with the requirements of the Washington Administrative Code (WAC), Chapter 246-453, are established. These criteria will assist staff in making consistent objective decisions regarding eligibility for financial assistance and charity care while ensuring the maintenance of a sound financial base.

**PROCEDURES:**

**I. Definitions**

- A. “Appropriate hospital (physician )-based medical services” means those hospital (physician) services which are reasonably calculated to diagnose, correct, cure, alleviate, or prevent the worsening of conditions that endanger life, or cause suffering or pain, or result in illness or infirmity, or threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, and there is no other equally effective more conservative or substantially less costly course of treatment available or suitable for the person requesting the service. For purposes of this section, “course of treatment” may include observation or, where appropriate, no treatment at all (WAC 246-453-010(7));
- B. “Emergency medical condition” means a medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that the absence of immediate medical attention could reasonably be expected to result in:
  - i. Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy:
  - ii. Serious impairment of bodily functions
  - iii. Serious dysfunction of any bodily organ or part.

With respect to a pregnant woman who is having contractions the term shall mean:

- iv. That there is inadequate time to effect a safe transfer to another hospital before delivery; or
- v. That the transfer may pose a threat to the health or safety of the woman or unborn child (WAC 246-453-010(10));

- C. “Income” means total cash receipts before taxes derived from wages and salaries, welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, alimony, and net earnings from business and investment activities paid to the individual (WAC 246-453-010(17)). This also includes pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, and assistance from outside the household. Non-cash benefits as well as capital gains or losses are excluded (Census Bureau);
- D. “Family” means a group of two or more persons related by birth, marriage, or adoption who live together; all such related persons are considered as members of one family (WAC 246-453-010(18));
- E. “Family Income” means the income, as described above, of all family members, as described above, residing in the same household or who are claimed as dependants for income tax purposes. Income from non-family members or room-mates is not considered.

## **II. Communications to the Public**

WVMC compassionate care policy shall be made publicly available as follows:

- A. A notice advising patients that WVMC provides compassionate care shall be posted in key public areas of the facility.
- B. WVMC will distribute a written notice about the availability of compassionate care to all patients at the time of new patient registration, with each billing statement, and in any collection letters sent by WVMC.
- C. The written notice shall be available in any language spoken by more than ten percent of the population in WVMC service area, and interpreted for other non-English speaking or limited-English speaking patients and for other patients who cannot understand the writing and/or explanation. WVMC finds that the following non-English translation(s) of the notice shall be made available: Spanish.
- D. WVMC will train Patient Services staff to answer compassionate care questions effectively or to direct such inquiries to the compassionate care coordinator in a timely manner.
- E. Written notice about WVMC compassionate care policy shall be made available to any person who requests the information, either by mail, by telephone or in person. WVMC compassionate care discount table shall also be made available upon request.

## **III. Eligibility Criteria**

- A. Compassionate Care is generally considered only after all other financial resources available to the patient have been explored and exhausted. In order to qualify for compassionate care, the patient and/or guarantor must fully cooperate with WVMC in exploring and applying for these resources. Other financial resources include but are not limited to: group or individual medical plans, secondary or supplemental insurance policies, worker’s compensation, Medicare, Medicaid or medical assistance programs, other state federal, or military programs, third party liability situations (e.g. auto accidents or personal injuries), or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services.

- B. All insurance or third party payments made directly to the patient, for Medical Center charges, must be submitted to WVMC.
- C. Patients will be granted compassionate care regardless of race, creed, color, national origin, sex, sexual orientation, or any other legally protected class including the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a disabled person.
- D. Compassionate care for non-emergent services shall be limited to those residing within WVMC designated service area, which is defined as the counties of Chelan, Douglas, Grant, and Okanogan as well as the town of Othello. Non-emergent services shall be defined as those services which are not considered as an “emergency medical condition” under the above definition.
- E. Compassionate care shall be limited to “appropriate hospital (physician)-based medical services” as defined above. Elective procedures are excluded.
- F. In those situations where appropriate primary payment sources are not available, or in certain situations when the primary payment source leaves a balance that is the patient’s liability, patients will be considered for compassionate care under this policy based on the following criteria:
  - 1. Patients/guarantor whose gross family income is at or below 100% of the current federal poverty level are eligible for a 100% write-off to compassionate care of the amount of the bill they are responsible for upon completion of the application and approved by WVMC (consistent with WAC 246-453-040).
  - 2. Patients/guarantors whose gross family income is above 100% but at or below 200% of the current federal poverty level are eligible for a write-off to compassionate care that would reduce the bill they are responsible for to an amount equal to WVMC cost of care upon completion of the application and approval by WVMC (consistent with WAC 246-453-040).
    - a. The cost of care will be estimated by multiplying the total charges by WVMC ratio of costs to charges (RCC) that is based on the data submitted on the previous year’s Year End Reports filed with the Washington State Department of Health.
      - i. RCC is calculated by taking subtracting WVMC cost to charge ratio from 1.
    - b. Arrangement for payment of the balance will be the responsibility of the patient/guarantor, and such arrangement must comply with WVMC collection policies.
    - c. The RCC used in the above calculation and the resulting discount, will be updated annually as soon as the previous year’s data is submitted to the Department of Health
  - 3. Patients/guarantors whose family income is at or below 200% of the current federal poverty level are eligible for compassionate care whether insured or uninsured.
  - 4. Uninsured patients/guarantors with incomes above 200% but at or below 300% of the current federal poverty level will not be required to pay more than 130% of the estimated cost of care upon completion of the application and approval by WVMC.

- a. The cost of care will be estimated by multiplying the total charges by WVMC ratio of costs to charges (RCC) that is based on the data submitted on the previous year's Year End Reports filed with the Washington State Department of Health.
- b. The percentage discount will be calculated by the following formula  $(1 - (RCC * 130\%))$
- c. Arrangement for payment of the balance will be the responsibility of the patient/guarantor, and such arrangement must comply with WVMC collection policies
- d. The RCC used in the above calculation and the resulting discount, will be updated annually as soon as the previous year's data is submitted to the Department of Health

- G. **Catastrophic Charity:** WVMC may write off, as compassionate care, amounts for patients/guarantors with family income in excess of these guidelines, or write off amounts in excess of the above guidelines when circumstances indicate severe financial hardship. WVMC reserves the right to solely determine whether severe financial hardship exists and how much will be adjusted as a result of that hardship. In order to qualify as a severe financial hardship, the patient/guarantor must cooperate with WVMC requests for financial information required to make a reasonable determination and this determination will be approved by a member of the Executive Committee.
- H. **Pre-Service Compassionate Care Determination:** There may be cases where a patient does not have an urgent or emergent need to receive services from WVMC immediately, though care is recommended by a physician. These situations will be handled on a case-by-case basis and must be initiated by a physician and approved by an Executive Committee member. Every effort must be made to secure an alternate source of payment prior to compassionate care.
- I. Any patient/guarantor financial obligation which remains after the application of any compassionate care adjustment will be payable according to WVMC general collection policy, which provides various options. The patient/guarantor will not be assigned to a collection agency unless payments are missed or the agreed upon terms are not kept. In addition, through the duration of the payment agreement, the remaining patient/guarantor balance will not accrue finance charges or late fee as outlined in WAC 246-453-050 (1).
- J. WVMC will not require disclosure of the existence and availability of family assets from compassionate care applicants whose income is at or less than 100% of the current federal poverty level. WVMC may require a disclosure of the existence and availability of family assets from applicants whose income is above 100% of the federal poverty level.

#### **IV. Process for Eligibility Determination**

##### **A. Initial Determination:**

- 1. WVMC will use an application process for determining eligibility for compassionate care. Requests to provide compassionate care will be accepted from sources such as physicians, physician's staff, patient services personnel, the patient, and the patient's family members provided that any further use or disclosure of the information contained in the request shall be subject to the Health Insurance Portability and Accountability Act privacy regulations and WVMC privacy policies. All requests shall identify the patient/guarantor that is financially responsible for the patient.

2. The initial determination of eligibility for compassionate care will be completed at any time prior to the final payment of the bill and after the patient/guarantor has been notified of the existence and availability of compassionate care. The initial determination is based on verbal or written application for compassionate care.
3. Pending final eligibility determination, WVMC will not initiate collection efforts or request deposits, provided that the responsible party is cooperative with WVMC efforts to reach a final determination of sponsorship status.
4. If WVMC becomes aware of factors which might qualify the patient for compassionate care under this policy, it shall advise the patient of this potential and make an initial determination that such account is to be treated as qualified to receive compassionate care.

#### **B. Final Determination:**

1. Prima Facie Write-Offs. In the event that the responsible party's identification as an indigent person is obvious to WVMC personnel, and WVMC can establish that the applicant's income is clearly within the range of eligibility, WVMC will grant charity care based solely on this initial determination. In these cases, WVMC is not required to complete full verification or documentation. (In accordance with WAC 246-453-030(3)). However, WVMC may elect to verify the patient/guarantor's financial state through third parties such as national credit bureaus or insurance eligibility systems.
2. Compassionate care forms, instructions, and written applications shall be furnished to patients/guarantors when compassionate care is requested, when need is indicated, or when financial screening indicates potential need. All applications, whether initiated by the patient/guarantor or WVMC, should be accompanied by documentation to verify information indicated on the application form. To verify income, any one of the following documents shall be considered sufficient evidence upon which to base the final determination of charity care eligibility:
  - a. IRS form "W-2" withholding statement from all employment within 1 year of application;
  - b. Pay stubs from all employment during the relevant time period;
  - c. An income tax return from the most recently filed calendar year;
  - d. Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance;
  - e. Forms approving or denying unemployment compensation; or
  - f. Written statements from employers or DSHS employees.
3. Failure to reasonably complete the appropriate application procedure will be considered sufficient grounds to deny final determination and WVMC will resume normal collection efforts on the balance (WAC 246-453-020 (5)).
4. During the initial request period, the patient/guarantor and WVMC may pursue other sources of funding, including Medical Assistance and Medicare. If requested, the patient/guarantor will be required to provide written verification of ineligibility for all other sources of funding. WVMC may not require that a patient applying for a determination of indigent status seek bank or other loan source funding.

5. In the event that the patient/guarantor is not able to provide any of the documentation described above, WVMC will rely upon written and signed statements from the patient/guarantor indicating family income levels and third party sources available in making a final determination of eligibility for compassionate care (WAC 246-453-030 (4)).
6. WVMC will allow a patient/guarantor to apply for compassionate care up to 1 year after the date of service and presentation of at least 1 bill from WVMC. In the event of a revolving account such as exists for physician services, once eligibility for compassionate care is determined, the discount will only apply to those charges which have been billed to the patient/guarantor within the last year, while also still meeting all other guidelines outlined in this policy.
  - a. Patients/guarantors whose accounts are turned to collections will have up to 30 days from the date of Collection Agency notice to request compassionate care discount consideration, if they have not previously applied and been denied.
  - b. In these cases, the account will be PENDED with the collection agency in order for the patient/guarantor to provide the appropriate cooperation and documentation to WVMC directly.
  - c. The patient/guarantor will be given 30 days to comply with the necessary application requirements, as outlined in this policy. If, at the end of 30 days, the patient/guarantor has not completed the compassionate care application process with WVMC, the account will be re-activated by the collection agency and managed directly by them.
  - d. If the compassionate care final determination is denied, the account is immediately re-assigned to the collection agency and a new 30 day period will begin at the agency to allow settlement prior to credit bureau reporting.
  - e. If the compassionate care final determination is accepted, the account will be CANCELLED by the collection agency and returned to WVMC to manage. Any adverse action against the patient/guarantor's credit file will be reversed.
  - f. Any portion of the account not eligible for compassionate care write-off will be billed to the patient/guarantor by WVMC.
  - g. If the patient/guarantor does not pay his/her balance in a timely manner, he/she is subject to re-assignment to the collection agency for the balance remaining after the compassionate care adjustment.

**C. Time frame for final determination and appeals:**

1. Each compassionate care applicant who has been initially determined eligible for charity care will be provided with thirty (30) calendar days to secure and present documentation in support of his or her compassionate care application prior to receiving a final determination of sponsorship status.
2. WVMC will notify the applicant of its final determination within fourteen (14) days of receipt of all application and documentation material.

3. The patient/guarantor may appeal a denial of eligibility for compassionate care by providing additional verification of income or family size to the Patient Services Manager within thirty (30) days of receipt of notification.
4. The timing of reaching a final determination of compassionate care status shall have no bearing on the identification of charity care deductions from revenue as distinct from bad debts, in accordance with WAC 246-453-020(10).
5. If the patient/guarantor has paid some or the entire bill for medical services and is later found to have been eligible for compassionate care at the time services were provided, he/she will be reimbursed for any amounts in excess of what is determined to be owed after the compassionate care adjustment. The patient/guarantor will be reimbursed within thirty (30) days of receiving the compassionate care final determination.

**D. Adequate notice of denial:**

1. When an application for compassionate care is denied, the patient/guarantor shall receive a written notice of denial which includes:
  - a. The reason or reasons for the denial;
  - b. The date of the decision; and
  - c. Instructions for appeal or reconsideration.
2. When the applicant does not provide requested information and there is not enough information available for WVMC to determine eligibility, the denial notice also includes:
  - a. A description of the information that was requested and not provided, including the date the information was requested;
  - b. A statement that eligibility for charity care cannot be established based on information available to WVMC; and
  - c. That eligibility will be determined if, within thirty (30) days from the date of the denial notice, the applicant provides all specified information previously requested but not provided.
3. The Patient Services Manager will review all denied appeals. If this review affirms the previous denial of compassionate care, written notification will be sent to the patient/guarantor and the Department of Health in accordance with state law.
4. If the denial is overturned, a letter will go out to the patient explaining the amount of the balance begin applied to compassionate care and any balance the patient/guarantor is responsible for, along with their payment options.

- E. If a patient has been found eligible for compassionate care and continues receiving services for an extended period of time without completing a new application, WVMC will re-evaluate the patient's eligibility for compassionate care at least annually to confirm that the patient remains eligible. WVMC may require the responsible party to submit a new financial assistance and charity care application and documentation.

**V. Documentation and Records**

- A. Confidentiality: All information relating to the application will be kept confidential. Copies of documents that support the application will be kept with the application form.
- B. Documents pertaining to compassionate care shall be retained for five (5) years.

## **VI. Policy Review and Updates**

- A. This policy will be reviewed and updated as necessary and to insure compliance with state laws.